

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NEW YORK
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4 UNITED STATES OF AMERICA, : 23-CR-00463 (BMC)
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TRANSCRIPT OF CRIMINAL CAUSE FOR ARRAIGNMENT
BEFORE THE HONORABLE LOIS BLOOM
UNITED STATES CHIEF MAGISTRATE JUDGE

A P P E A R A N C E S:

For the Government: BREON PEACE, ESQ.
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BY: GENNY NGAI, ESQ.
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1 (In open court.)

2 THE COURTROOM DEPUTY: This is a criminal cause
3 for arraignment on information, docket number 23-CR-463,
4 United States of America against Aylo Holdings S.A.R.L.,
5 formally known as MindGeek S.a.r.l.

6 Counsel, please come forward and state your
7 appearances for the record.

8 MS. NGAI: Good afternoon, Your Honor.

9 AUSA Genny Ngai for the Government. And I am
10 joined by AUSA Hiral Mehta.

11 MR. MEHTA: Good afternoon, Your Honor.

12 MS. NGAI: And Special Agent Anna Teczynska from
13 the FBI.

14 MR. CORNGOLD: Good afternoon, Your Honor.

15 It's Eric Corngold and Jeffrey Wang from Friedman
16 Kaplan Seiler Adelman for the Defendant, Aylo Holdings
17 S.A.R.L.

18 And this is Anthony Penhale from Aylo.

19 THE COURTROOM DEPUTY: The Honorable Lois Bloom
20 presiding.

21 THE COURT: Good afternoon, everyone.

22 This has been referred to me by Judge Cogan.

23 Mr. Corngold, if you could just make that the mic
24 is in front of Mr. Penhale.

25 Attorneys, I always expect to stand when they

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1 address the Court, but I think it's better for you,
2 Mr. Penhale, if you remain seated.

3 THE DEFENDANT: Understood.

4 THE COURT: Defendant seeks to waive indictment
5 and to enter into a deferred prosecution agreement with the
6 Government and to have this matter placed in abeyance and to
7 exclude time under the Speedy Trial Act for a three-year
8 period with a possible extension of up to twelve months.

9 Is that correct, Ms. Ngai?

10 MS. NGAI: Yes, Your Honor.

11 THE COURT: And is that correct, Mr. Corngold?

12 MR. CORNGOLD: Yes, Your Honor, though, I thought
13 that the exclusion was going to be for four years.

14 MS. NGAI: It's for forty-eight months.

15 THE COURT: I said three-year period with a
16 possible extension of twelve months, which brings it to four
17 years.

18 MR. CORNGOLD: Okay.

19 THE COURT: Isn't that what was in the deferred
20 prosecution agreement?

21 MR. CORNGOLD: Yes, I think that's correct.

22 THE COURT: Okay.

23 And in terms of board authorization, we have
24 Mr. John Anthony Penhale.

25 Mr. Penhale, are you empowered by this Defendant

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1 to act on its behalf in entering into this agreement today?

2 THE DEFENDANT: I am.

3 THE COURT: And is Defendant financially able to
4 pay a substantial fine that could be imposed by the Court?

5 THE DEFENDANT: It is.

6 THE COURT: And are you authorized by a valid
7 resolution to waive indictment and to enter into this
8 agreement, Mr. Penhale?

9 THE DEFENDANT: I am.

10 THE COURT: And was the board empowered to
11 authorize you to do this?

12 THE DEFENDANT: It was.

13 THE COURT: And Mr. Penhale, your attorney advises
14 me that you wish to waiving indictment on behalf of Aylo
15 Holdings S.A.R.L., formerly known as MindGeek S.a.r.l., and
16 its subsidiaries, pursuant to a duly authorized Board of
17 Managers resolution, and to enter into a deferred
18 prosecution agreement with the United States Government.

19 Is that correct?

20 THE DEFENDANT: It is.

21 THE COURT: And this agreement will place the
22 matter in abeyance for three years with a possible extension
23 of an additional twelve-month period. And you are asking
24 the Court to exclude all of this time under the Speedy Trial
25 Act.

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1 Is that correct?

2 THE DEFENDANT: It is.

3 THE COURT: So on behalf of the Government, is
4 Mr. Penhale appearing on behalf of Aylo Holdings S.A.R.L.
5 sufficient?

6 MS. NGAI: Yes, Your Honor.

7 THE COURT: And have you scrutinized the documents
8 that have been presented with respect to Mr. Penhale's
9 appearance today?

10 MS. NGAI: Yes, Your Honor.

11 And we find that the documents are sufficient.

12 THE COURT: Thank you.

13 So these decisions are serious, and the Court must
14 be certain, Mr. Penhale, that you are making them and that
15 the board is making them with a full understanding of the
16 Defendant's rights and the consequences of these decisions.

17 I will explain these rights to you, and I will
18 also explain the rights that Defendant will be giving up by
19 waiving indictment and excluding time under the Speedy Trial
20 Act.

21 There are a number of questions I must ask you as
22 the representative of Defendant to establish that Defendant
23 is acting knowingly and voluntarily.

24 If at any time you would like to consult with your
25 attorney, please let me know and I will pause for you to be

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1 able to do so.

2 Do you understand?

3 THE DEFENDANT: I do.

4 THE COURT: And I do need you to answer these
5 questions under oath, so I will ask my law clerk and deputy
6 to swear you in.

7 Please raise your right hand and stand.

8 (Defendant sworn.)

9 THE DEFENDANT: I do.

10 THE COURT: And state your full name, sir.

11 THE DEFENDANT: John Anthony Penhale.

12 THE COURT: Thank you.

13 And what is your current position with Aylo
14 Holdings S.A.R.L., Mr. Penhale?

15 THE DEFENDANT: I am chief legal officer and
16 employed by a wholly-owned subsidiary of Aylo Holdings
17 S.A.R.L.

18 THE COURT: Which is?

19 THE DEFENDANT: A company known as 9219-1568
20 Québec, Inc., doing business as Aylo Services.

21 THE COURT: And how long have you been in this
22 position?

23 THE DEFENDANT: February 2014, since.

24 THE COURT: And have you been authorized by the
25 Board of Managers of Aylo Holdings S.A.R.L. to agree to a

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1 three, and possibly four-year exclusion of time under the
2 Speedy Trial Act?

3 THE DEFENDANT: I have.

4 THE COURT: And this is in order to allow the
5 Government to defer prosecution of Defendant for this three
6 and possibly four-year period; is that correct?

7 THE DEFENDANT: That is correct.

8 THE COURT: And did you gain this authority by
9 approval of the Board of Managers' written resolutions on
10 November 10th and November 16, 2023?

11 THE DEFENDANT: Yes.

12 THE COURT: And are those written resolutions
13 signed by Andreas Alkiviades Andreou, Anis Baba, and Claude
14 Favre, all managers of the company?

15 THE DEFENDANT: They are.

16 THE COURT: Is the Government satisfied that
17 Mr. Penhale is authorized to act on behalf of this
18 Defendant?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: And the Court is satisfied that
21 Mr. Penhale is authorized to act on behalf of this
22 Defendant.

23 Mr. Penhale, were you and the Board of Managers
24 provided with a copy of the information in this case?

25 THE DEFENDANT: We were.

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1 THE COURT: And have you and the Board of Managers
2 reviewed and discussed the case and the charges with your
3 attorneys?

4 THE DEFENDANT: Yes, we have.

5 THE COURT: And, Ms. Ngai, I was looking on the
6 docket sheet before I came down for a copy of the
7 information, but did not see it on file.

8 MS. NGAI: That's correct.

9 And at this time, we would move in the information
10 and present it for filing with the Court.

11 THE COURT: And why couldn't that be done before
12 today?

13 MS. NGAI: Your Honor, we, I think, in some courts
14 we present information at the time we file the 7B notice,
15 but then we present the information at the proceeding and
16 then the Court can accept it for filing. In other
17 situations, others have filed it on the docket. I think in
18 this case, we are just asking that the information be
19 presented to Your Honor and accepted by the Court.

20 THE COURT: Well, again, since we had a long
21 colloquy last night with both sides about the Court having
22 to accept, I have nothing to do with accepting the
23 information. You filed this and that's the Government's
24 prerogative. And whether or not the Defendant will waiving
25 indictment is something that we are here to discuss and to

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1 take a plea on this information.

2 But again, I direct the Government to file the
3 information as soon as we leave. There is no reason why it
4 couldn't have been filed before we went on the record today.

5 MS. NGAI: Absolutely. Absolutely. We will do
6 that immediately after this proceeding.

7 THE COURT: And in the future, if it's ever coming
8 before me, I think for purposes of transparency, it should
9 have been filed before the proceeding. In fact, looking at
10 when the case was filed originally back in November,
11 November 13th, with the intent to proceed under Criminal
12 Rule 7B and it could have been filed at any time, but it
13 shouldn't wait until after you appear before the Court.

14 MS. NGAI: Yes, Your Honor. In some situations
15 where we have proceeded by a 7B notice, due to the
16 proceeding, due to certain issues that arise, sometimes
17 there is a change in the decision to plead to an
18 information. And so I think in this instance we will file
19 the information immediately after this conference, but we
20 do --

21 THE COURT: But I will tell you. I was on the
22 phone with you last night. Nobody brought this up. This
23 has been, you know, noticed since November, that the
24 Defendant and the resolutions of the Board of Managers of
25 the Defendants and the deferred prosecution agreement have

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1 been signed for some time. Under these circumstances, it
2 should have been filed on the docket before you appeared
3 today.

4 In the future, if there is going to be an issue
5 and you are going to hold on to it for some reason, please
6 alert the Court.

7 MS. NGAI: We will. And we apologize for that.

8 THE COURT: Thank you.

9 Okay. So back to you, Mr. Penhale.

10 You have said that the Board of Managers and you
11 have fully reviewed and discussed the case and the charges
12 with your attorneys?

13 THE DEFENDANT: Yes.

14 THE COURT: And the information in this case
15 charges that on or about and between September 15th, 2017,
16 and December 2020, within the Eastern District of New York
17 and elsewhere, Defendant knowingly and intentionally engaged
18 in one or more monetary transactions to it, deposits,
19 withdrawals, and transfers of funds and monetary instruments
20 in and affecting interstate and foreign commerce by,
21 through, and to one or more financial institutions in
22 criminally-derived property that was of a value greater than
23 \$10,000, which transactions, in fact, involved the proceeds
24 of specified unlawful activity, to it, sex trafficking in
25 violation of Title 18 United States Code Section 1591.

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1 Do you need me to explain the elements of the
2 charged crime to you, Mr. Penhale?

3 THE DEFENDANT: I do not. Thank you.

4 THE COURT: And does the Defendant, Aylo Holdings
5 S.A.R.L., formerly known as MindGeek S.a.r.l., fully
6 understand the nature of the charge against it and the
7 elements the Government would have to prove in order to
8 convict it?

9 THE DEFENDANT: It does.

10 THE COURT: Instead of an indictment, this felony
11 charge has been brought by the filing of an information by
12 the United States Attorney's Office for the Eastern District
13 of New York. Well, to be accurate, by the presentment of
14 the information, which will be filed as soon as this
15 proceeding is over.

16 Defendant has a constitutional right to be charged
17 by an indictment, returned by a Grand Jury, but Defendant
18 can waive that right and consent to being charged by
19 information. Unless Defendant waives indictment, the
20 Defendant may not be charged with a felony unless a Grand
21 Jury finds, by a return of an indictment, that there is
22 probable cause to believe that a crime has been committed
23 and that Defendant committed that crime.

24 Do you understand?

25 THE DEFENDANT: I do.

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1 THE COURT: If Defendant Aylo Holdings S.A.R.L.
2 does not waive indictment, the Government must present the
3 case to the Grand Jury, and ask it to indict the Defendant
4 in order for Defendant to be charged with a felony offense.
5 A Grand Jury is comprised of at least sixteen, not more than
6 twenty-three persons, and at least twelve grand jurors must
7 find that there is probable cause to believe that the
8 Defendant committed the crime with which it is charged
9 before the Defendant may be indicted.

10 The Grand Jury may, or may not, indict the
11 Defendant.

12 Do you understand?

13 THE DEFENDANT: I do.

14 THE COURT: If Aylo Holdings S.A.R.L. waives
15 indictment by the Grand Jury, the case will proceed against
16 the Defendant on the information just as though Defendant
17 has been indicted.

18 Do you understand?

19 THE DEFENDANT: I do.

20 THE COURT: Does the Defendant Aylo Holdings
21 S.A.R.L. understand its right to indictment by a Grand Jury?

22 THE DEFENDANT: It does.

23 THE COURT: Is Defendant Aylo Holdings S.A.R.L.
24 willing to waive the right to have this case proceed by way
25 of an indictment by a Grand Jury?

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1 THE DEFENDANT: It is.

2 THE COURT: I am going to look at the form. And I
3 am going to ask my law clerk to present it to you,
4 Mr. Penhale.

5 This is a form waiver of indictment that has been
6 presented to me.

7 Is that your signature on the waiver of
8 indictment?

9 THE DEFENDANT: It is.

10 THE COURT: And are you authorized on behalf of
11 the Defendant to waive indictment?

12 THE DEFENDANT: I am.

13 THE COURT: And have you, on behalf of the board,
14 discussed this decision with Defendant's attorney?

15 THE DEFENDANT: I have.

16 THE COURT: And, Mr. Corngold, did you also sign
17 off on this waiver of indictment?

18 MR. CORNGOLD: I did, Your Honor.

19 THE COURT: And Mr. Penhale, have any threats or
20 promises been made to induce you to waive the Defendant's
21 right for an indictment by a Grand Jury?

22 THE DEFENDANT: No.

23 THE COURT: And is Defendant waiving its right to
24 indictment knowingly, voluntarily and of its own free will?

25 THE DEFENDANT: It is.

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1 THE COURT: And Mr. Corngold, are you aware of any
2 reason that Defendant should not waive indictment?

3 MR. CORNGOLD: I'm not, Your Honor.

4 THE COURT: I will therefore accept the waiver of
5 indictment. And I find that Defendant's waiver of
6 indictment is knowingly and voluntarily made. And I am
7 signing it. And it is already dated today, which is
8 December 21st, 2023.

9 I am now going to arraign the Defendant on the
10 information and then hold the charges in abeyance.

11 I have already advised you of the charge in the
12 information which is engaging in money transactions
13 regarding the proceeds of sex trafficking.

14 Does Defendant waive a formal reading of the
15 information?

16 THE DEFENDANT: It does.

17 THE COURT: How does Defendant plead to this
18 charge; guilty or not guilty?

19 THE DEFENDANT: Not guilty.

20 THE COURT: And have you and the board or you on
21 behalf of the board had sufficient time to discuss with your
22 attorneys how best to proceed in this matter?

23 THE DEFENDANT: Yes, we have.

24 THE COURT: And are you and is the board fully
25 satisfied with the representation Counsel has given to you

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1 thus far in this proceeding?

2 THE DEFENDANT: Yes, we are.

3 THE COURT: I have been advised that Defendant
4 Aylo Holdings S.A.R.L. has entered into a deferred
5 prosecution agreement with the Government. As part of the
6 agreement, Defendant waives its Sixth Amendment rights to a
7 speedy trial and has consented to a three- to possible
8 four-year exclusion of time under the Speedy Trial Act, 18
9 United States Code Section 3161(h)(2). This provision
10 specifically provides that in computing the time within
11 which the trial of an offense must commence, any period of
12 delay during which prosecution is deferred by the attorney
13 for the Government, pursuant to a written agreement with the
14 Defendant, with the approval of the Court, for purposes of
15 allowing Defendant to demonstrate its good conduct, the time
16 shall be excluded.

17 Are you aware of this provision, Mr. Penhale?

18 THE DEFENDANT: I am.

19 THE COURT: And does Defendant consent to holding
20 this case in abeyance for a three- to possible four-year
21 period?

22 THE DEFENDANT: It does.

23 THE COURT: And Mr. Corngold, have you discussed
24 the matter of deferring prosecution for this period of time
25 with the board of the Defendant?

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1 MR. CORNGOLD: Yes. And with the entire company,
2 yes.

3 THE COURT: And have you discussed it with
4 Mr. Penhale?

5 MR. CORNGOLD: I have.

6 THE COURT: And does Defendant understand the
7 rights it will be waiving by doing so?

8 THE DEFENDANT: Yes, it does.

9 THE COURT: I have marked the deferred prosecution
10 agreement with the Government as Court Exhibit 1. It has
11 attachments A, B, C, D, E, and a rider.

12 Is that correct, Ms. Ngai?

13 MS. NGAI: That is correct.

14 (Court Exhibit 1 was received.)

15 THE COURT: And the agreement was signed on
16 November 10th, 2023, by Andreas Alkiviades Andreou and
17 Anis Baba.

18 Who are Mr. Andreou and Mr. Baba, Mr. Penhale?

19 THE DEFENDANT: They are each Class A managers of
20 Aylo Holdings S.A.R.L.

21 THE COURT: And there is a company officer
22 certification also signed by Mr. Andreou; is that correct?

23 THE DEFENDANT: That is correct.

24 THE COURT: And finally, there is a certificate of
25 Counsel signed by you, Mr. Corngold; is that correct?

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1 MR. CORNGOLD: Yes, Your Honor.

2 THE COURT: And did the Board of Managers,
3 Mr. Penhale, have an opportunity to read and discuss the
4 agreement with Counsel before the agreement was signed?

5 THE DEFENDANT: It did.

6 THE COURT: And Mr. Corngold, did you have
7 sufficient time to review the agreement with Defendant?

8 MR. CORNGOLD: Yes, Your Honor.

9 THE COURT: And Mr. Penhale, on behalf of
10 Defendant, do you have any questions about the agreement?

11 THE DEFENDANT: I do not, Your Honor.

12 THE COURT: And does the agreement represent
13 Defendant's entire understanding of what Defendant has
14 agreed to with the Government?

15 THE DEFENDANT: It does.

16 THE COURT: Has anyone made any promise or
17 assurance that is not in the agreement to persuade Defendant
18 to accept this agreement?

19 THE DEFENDANT: No, Your Honor.

20 THE COURT: Has anyone threatened the Defendant in
21 any way to persuade it to accept this agreement?

22 THE DEFENDANT: No, Your Honor.

23 THE COURT: In addition to waiving its right to
24 indictment and to speedy trial, Defendant agrees to fully
25 cooperate with the Government. It waives any objection to

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1 venue it agrees that any prosecution relating to the conduct
2 described in the statement of facts is not time barred as of
3 the date the agreement was signed, and it agrees that the
4 allegations in the statement of facts that is attached to
5 the deferred prosecution agreement, as attachment C, is true
6 and accurate.

7 Is that correct?

8 THE DEFENDANT: That is correct.

9 THE COURT: And Defendant stipulates to the
10 admissibility of those facts in any proceeding if the
11 Government were to pursue prosecution. And Defendant agrees
12 that the facts are admissible in any such proceeding as
13 substantive evidence, impeachment evidence, and evidence at
14 a sentencing hearing or other hearing.

15 Do you understand?

16 THE DEFENDANT: I do.

17 THE COURT: Defendant has agreed to a three- to
18 four-year term of this deferred prosecution. And has also
19 agreed to continue to enhance its compliance and ethics
20 program throughout its operations, including those of its
21 affiliates, agents, joint ventures, contractors and
22 subcontractors.

23 Do you understand?

24 THE DEFENDANT: I do.

25 THE COURT: In addition to the company's remedial

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1 efforts, Defendant has agreed to the imposition of the
2 independent compliance monitor. The monitor's duties and
3 authority and the obligations with respect to the monitor
4 and the Government are set forth in attachment D to the
5 agreement.

6 Do you understand?

7 THE DEFENDANT: I do.

8 THE COURT: And the monitor shall be retained by
9 Defendant for three years, subject to extension or early
10 termination as described in the agreement.

11 Do you understand?

12 THE DEFENDANT: I do.

13 THE COURT: Defendant has also agreed to certain
14 penalties being imposed.

15 Ms. Ngai, can you please explain on the record the
16 total fine that is agreed to, as well as how the total
17 criminal penalty was calculated?

18 MS. NGAI: Yes, of course.

19 So let me start off with the financial penalties
20 and break it down.

21 The company has agreed to pay a criminal fine of
22 \$974,692.06 which is calculated based in part on the
23 guidelines calculation, and, specifically, sections
24 2S1.1(a)(2) and 2B1.1. So based on the calculations, the
25 total offense level is 17, but Section 8C2.4(a)(2) instructs

1 us to use pecuniary gain to the company from the charged
2 offense as the base fine. So the base fine is \$870,260.77.

3 We then calculated the culpability score based on
4 Section 8C2.5 of the guidelines. And that comes out to 7.
5 That results in a fine multiplier of 1.4 and 2.8, which
6 produces a fine range of \$1,218,365.08 on the low end, and
7 \$2,436,730.16 on the high end.

8 And as detailed in the agreement, the ultimate
9 criminal fine reflects the use of the 1.4 multiplier and a
10 20 percent discount due to the company's cooperation and
11 remedial efforts.

12 In addition, the company has also agreed to pay
13 criminal forfeiture of \$870,260.77 to the Government, which,
14 again, it represents the pecuniary gain to the organization
15 from the offense. So all together, when we are talking
16 about the total monetary penalty, that is a total of
17 \$1,844,952.83.

18 In addition, the company has also agreed to make
19 monetary payments to individuals who were defrauded by the
20 operators of GirlsDoPorn and GirlsDoToys. And these images
21 were posted on Aylo's platforms, such as PornHub. To the
22 extent these individuals have not yet already been
23 compensated for those loss and to the extent they timely
24 submit the necessary paperwork to seek those payments, and
25 they are outlined in the agreement.

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1 THE COURT: May I ask, how are they going to know
2 to file the necessary paperwork?

3 MS. NGAI: Yes, Your Honor.

4 After this proceeding, and after time has been
5 excluded, we will -- the parties will work jointly together
6 to issue notice to the individuals and further steps as to
7 who to contact, how to contact, and what paperwork is
8 needed.

9 THE COURT: And that will be published somewhere?

10 MR. CORNGOLD: Well, I don't want to -- I think
11 you should describe first.

12 MS. NGAI: Yes, I think that the parties will come
13 up with a plan and confer as to how best to notify and how
14 best to solicit the applications for the payment.

15 THE COURT: So the plan has not yet been devised?

16 MS. NGAI: I think at this time we have considered
17 different options, but right now, there is no definitive
18 step as to, you know, is it going to be on a website or is
19 it going to be an individual reach-out.

20 MR. MEHTA: Just on that, Your Honor, we have,
21 through the U.S. Attorney's Office in Southern California,
22 we have a list of all the victims that they have identified
23 of GirlsDoPorn and GirlsDoToys. And so we have contact
24 information for several hundred victims already. And we
25 were able to send information to them that way. We also

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1 discussed with the company of posting a link on their
2 website that would allow people that we don't know about
3 through the SDCA case to also be able to do that.

4 So we have two mechanisms that we discussed. We
5 are definitely going to do the first one, which is the
6 notification involving the individuals we already know
7 about. We had a discussion with Aylo Holdings S.A.R.L.
8 about doing it on the website, as well.

9 THE COURT: But at this point in time, this has
10 not been all worked out with the Defendant?

11 MR. CORNGOLD: That's correct. But we intend to
12 work out an appropriate way. The company wants to provide
13 this monetary payments and we will work out sort of the best
14 way to ensure the potential Claimants to those payments are
15 notified.

16 THE COURT: Is there a timeframe in mind,
17 Ms. Ngai?

18 MS. NGAI: I think we are, you know, after today
19 and after we, you know, we understand that this agreement
20 will be in effect, we will make immediate steps to work out
21 a plan.

22 THE COURT: Because the number of people that were
23 involved in the case in the Southern District of California
24 may not be the only people who would make claims.

25 MS. NGAI: Absolutely. They may not be. And so

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1 we are just trying to think of the best way to disseminate
2 that information.

3 THE COURT: And Mr. Corngold, you will work with
4 the U.S. Attorney's Office on behalf of your client to
5 figure this out?

6 MR. CORNGOLD: Yes, Your Honor. Yes.

7 THE COURT: Very good.

8 I didn't mean to interrupt, but that was a
9 question.

10 MS. NGAI: No, of course.

11 But I think, you know, the gist of it is that the
12 company has agreed to make these monetary payments to these
13 individuals.

14 THE COURT: And this is over and above to what the
15 fine and the forfeiture is?

16 MS. NGAI: That is correct.

17 And so assuming that the individuals who apply are
18 eligible under the terms of the agreement, the company has
19 agreed to make a minimum payment of \$3,000.

20 And to, you know --

21 THE COURT: Per Claimant?

22 MS. NGAI: Per Claimant, correct.

23 THE COURT: Okay.

24 Anything else you want to tell me about the fines
25 or the penalties?

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1 MS. NGAI: I think that is all.

2 THE COURT: Thank you.

3 Mr. Penhale, do you have any questions about the
4 rights Defendant is giving up by entering into this deferred
5 prosecution agreement?

6 THE DEFENDANT: I do not, Your Honor.

7 THE COURT: Mr. Corngold, do you have any
8 questions about the rights Defendant is giving up by
9 entering into the deferred prosecution agreement?

10 MR. CORNGOLD: I do not, Your Honor.

11 THE COURT: And Mr. Penhale, do you have any
12 questions about the agreement itself or anything else
13 related to this matter?

14 THE DEFENDANT: I do not, Your Honor.

15 THE COURT: Do the parties believe that I need to
16 review any other portion of the agreement on the record?

17 MR. CORNGOLD: We don't, Your Honor.

18 MS. NGAI: No, Your Honor.

19 THE COURT: Then based on the information
20 presented to me, I find that the parties are asking for the
21 exclusion of time to allow the Defendant to demonstrate its
22 good conduct and not to circumvent the speedy trial clock
23 pursuant to 18 United States Code Section 3161(h)(2), I
24 therefore exclude the time for four years, until
25 December 21st, 2027. So that means the time from today

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1 until December 21, 2027, is hereby excluded and this matter
2 should be held in abeyance until December 21st, 2027. I
3 find that this exclusion of time serves the ends of justice
4 and outweighs the Defendant and the public's interest in a
5 speedy trial in this matter for the reasons that have been
6 stated on the record as well as for the purposes as set
7 forth in the deferred prosecution agreement.

8 Is there anything else that the Court needs to
9 address regarding this matter on behalf of the Government?

10 MS. NGAI: Nothing from the Government.

11 THE COURT: And is there anything further that
12 needs to be addressed regarding this matter on behalf of
13 Aylo Holdings S.A.R.L.?

14 MR. CORNGOLD: No, Your Honor.

15 THE COURT: Then I thank everybody. And I will
16 direct that the Government should immediately file the
17 information on the docket and I will file the waiver of
18 indictment.

19 And I wish everybody a happy holiday and happy new
20 year. Thank you, very much.

21 (Matter adjourned.)

22 * * * * *

23 I certify that the foregoing is a correct transcript from
24 the record of proceedings in the above-entitled matter.

24 /s/ Jamie Ann Stanton

December 21, 2023

25 _____
JAMIE ANN STANTON

DATE